



FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

RQ-2

July 12, 2006

Ms. Sarah Brown, Treasurer
Ohio Republican Party State
Central & Executive Committee
211 S. Fifth Street
Columbus, OH 43215

**Response Due Date:
August 11, 2006**

Identification Number: C00162339

Reference: May Monthly Report (4/1/06 – 4/30/06)

Dear Ms. Brown:

This letter is prompted by the Commission's preliminary review of the report(s) referenced above. This notice requests information essential to full public disclosure of your federal election campaign finances. **An adequate response must be received at the Commission by the response date noted above.** An itemization of the information needed follows:

-Schedule A supporting Line 17 of your report discloses one or more receipts totaling \$47,751.51 from the "State of Ohio". Please amend your report to clarify the nature of these receipts.

-You have made disbursements for "exempt volunteer activity-cookbooks" which you have characterized as exempt activities. In order for an activity to be classified as exempt, it must meet the following conditions: (1) For slate cards and sample ballots: it names at least three candidates running for election to any public office, it is not distributed through public political advertising (including broadcast media, newspapers, magazines, and billboards), the content is limited to the identification of each candidate, the office or position currently held, the office sought and party affiliation, and the costs allocable to federal candidates are paid with permissible funds; (2) For campaign materials: the activity is conducted on behalf of the party's nominees in the general election, the materials are distributed by volunteers--not through public political advertising, the party committee does not use materials purchased by the national party committee or money transferred from the national committee to purchase materials, the party committee does not use funds designated for a particular federal candidate, a payment from a non-federal campaign to help pay for the materials does

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not exceed its allocated share of the expenses, and the costs allocable to federal candidates are paid with permissible funds; (3) For voter drives: the activity is on behalf of the party's Presidential and Vice Presidential nominees, the activity does not involve the use of public political advertising such as television, radio, newspapers, magazines, billboards or direct mail, phone banks are operated by volunteers (although paid professionals may design the system, develop calling instructions and train supervisors), the party committee does not use funds transferred by the national party committee for voter drive activities, the party committee does not use funds designated for a particular federal candidate, and the cost allocable to federal candidates are paid with permissible funds. 11 CFR §§100.80, 100.87, 100.89 and 11 CFR §§100.140, 100.147 and 100.149

If the activity disclosed on your report does not meet the definition of "exempt" activity as described above, and if any portion of the expenditures were made on behalf of specifically identified candidates, this amount must be disclosed on Schedule B, E or F supporting Line 23, 24 or 25 of the Detailed Summary Page as appropriate. Please provide the Commission with a more detailed explanation of these activities.

-Please clarify all expenditures made for "gluesticks for victory event-2858," "ORP % of room/food for victory event," "payroll/taxes -victory events," "storage boxes for event supplies-2858," "supplies for victory fundraiser-2858," "victory event room/food-3252," "Lincoln Day dinner-12576," "victory center lease," "victory center lease-Hamilton Cnty," "victory center lease deposit," "victory center lease payment," "victory center lease rent," and "victory center utility" on Schedule(s) B supporting Lines 21(b) and 30(b). If a portion or all of these expenditures were made on behalf of specifically identified federal candidates, this amount should be disclosed on Schedules B, E, or F supporting Lines 23, 24, or 25 and include the amount, name, address and office sought by each candidate. 11 CFR §§104.3(b) and 106.1

-Schedule B supporting Line 21(b) of your report discloses a payment(s) totaling \$1,018.13 for "printing for victory event" and "printing for victory fundraising event". Expenditures and disbursements for public communications (as defined under 11 CFR §100.26) that refer to a clearly identified candidate for Federal office and that promote, support, attack or oppose any candidate for Federal office, meet the definition of Federal Election Activity under 11 CFR §100.24 and should be disclosed on Schedule B for Line 30(b) along with the identity of the candidate(s).

Further, public communications that meet the definition of Federal Election Activity and that also contain express advocacy as defined under 11 CFR §100.22, but do not meet the conditions of exempt activity, would constitute an in-kind contribution, an independent expenditure or a coordinated party expenditure and should be properly disclosed on a Schedule B, E or F supporting Lines 23, 24 or 25, as appropriate, rather than on Schedule B for Line 30(b). Please clarify if this activity meets the definition of Federal Election Activity or if it contains express advocacy and amend your report to properly disclose this activity, if necessary.

-Itemized disbursements must include a brief statement or description of why the disbursements were made. Please amend Schedule(s) B of your report to clarify the following description(s): "county revenue program-2858," "paper & envelopes shared revenue -2858," "paper for county shared program-2858," and "see memo entries." For further guidance regarding acceptable purposes of disbursements, please refer to 11 CFR §104.3(b)(3).

-Schedule B supporting Lines 21(b) and 30(b) of your report discloses a total of \$12,445.15 in payments to credit card companies and apparent reimbursements to individuals. However, the sum of memo entries which appear to be related to these payments only total \$14,376.88. Please be advised that when itemizing reimbursements to individuals for goods or services and payments to a credit card company, if the payment to the original vendor aggregates in excess of \$200 in a calendar year, a memo entry including the name and address of the original vendor, as well as the date, amount and purpose of the original purchase must be provided. Please amend your report to include the missing information and clearly identify on the Schedule B, which disbursement each memo entry relates to. 11 CFR 104.10 and 104.17, and Advisory Opinion 1992-1 and 1996-20, footnote 3

-Schedule H4 supporting Line 21(a) of your report discloses a payment(s) for "hdqtrs operating staff health insurance," "insurance bond for treasurer," and "payroll/taxes". Please be advised that pursuant to 11 CFR §300.33(c)(2), salaries and wages for employees who spend more than 25% of their compensated time in a given month on Federal election activity or activities in connection with a Federal election must not be allocated between or among federal and non-federal accounts. Rather, only federal funds may be used. Further, the Commission concluded in Advisory Opinion 2003-11 that amounts spent for employee-specific "fringe benefits," consisting of health insurance, disability insurance, life

insurance, retirement benefits and payroll taxes, fall into the category of compensated time.

Any reimbursement from your committee's non-federal account for this payment is not permissible and must be returned. Although the Commission may take further legal action regarding this improper allocation activity, your prompt action will be taken into consideration.

Please note, you will not receive an additional notice from the Commission on this matter. Adequate responses received on or before this date will be taken into consideration in determining whether audit action will be initiated. **Requests for extensions of time in which to respond will not be considered.** Failure to provide an adequate response by this date may result in an audit of the committee. Failure to comply with the provisions of the Act may also result in an enforcement action against the committee. Any response submitted by your committee will be placed on the public record and will be considered by the Commission prior to taking enforcement action.

Electronic filers must file amendments (to include statements, designations and reports) in an electronic format and must submit an amended report in its entirety, rather than just those portions of the report that are being amended. If you should have any questions regarding this matter or wish to verify the adequacy of your response, please contact me on our toll-free number (800) 424-9530 (at the prompt press 5 to reach the Reports Analysis Division) or my local number (202) 694-1157.

Sincerely,



Laura E. Sinram
Campaign Finance Analyst
Reports Analysis Division

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